number of things. It closes the London loophole, which prevents traders in the U.S. oil energy commodities from going overseas to evade regulatory requirements in the U.S. exchanges.

It directs the Commission to work with international regulators to develop uniform international reporting standards. It eliminates excessive speculation. It requires the Commission to set position limits on traders who are not involved in legitimate hedge trading of energy commodities, requires large trader reporting, requires large traders of energy commodities in over-the-counter markets to file reports of their activity with the Commission and directs the Commission to step in whenever a major market disruption occurs.

It makes index traders and swap dealers report. These market participants must routinely provide detailed reporting to the Commission to ensure that their activity is not adversely impacting price in any negative fashion.

It increases the CFTC enforcement resources. It directs the Commission to hire an additional 100 employees to improve enforcement transparency. It makes energy markets more transparent by directing the Department of Energy to collect information, analyze market data, and investigate financial institution investments in natural gas markets.

I have had a number of informal discussions with the Republican leader. I hope this piece of legislation dealing with speculation, which we hope will be bipartisan in nature, will be the beginning of our having a good discussion on energy prices, before we leave for the August recess.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

A NEW SLOGAN

Mr. McCONNELL. Mr. President, our Democratic friends yesterday came up with a new slogan for gas prices. It was: ''Act more, talk less.'' They talked about to it the press, they talked about it in the Chamber, they even used a colorful floor chart to make a point.

Frankly, I could not agree more with their new slogan. I hope they take it seriously too. It is time to get about passing serious, balanced legislation that will actually make a difference.

Americans are hurting as a result of high gas prices, and they are looking to us for action. This is an issue that affects every single American. So it is of great importance to every Member of this body.

The vast majority of Americans are asking us to get at the root of the problem, instead of timidly dancing around the edges as some have tried to do. It is clear that the American people strongly support increased responsible domestic production. It is also clear, at this point, that a solid bipartisan majority in the Senate is ready and willing to move forward on limited environmentally sensitive exploration here at home, so we can reduce our dependance on Middle East imports.

Republicans welcome the new-found slogan from our friends on the other side of the aisle, but we hope it is more than a slogan. We should act more and talk less. In the days ahead, the American people will be able to judge who wants to boldly act and who wants to just talk. So it is important for us not to fail the American people at this critical point. I wish to congratulate the majority leader for turning to this subject. I think it is clearly and unambiguously the most important issue in the country. We look forward to having a real Senate-style debate over different approaches to this matter and, hopefully, coming together at the end of the time with a proposal that both sides can feel proud of, that the markets will respond favorably to, and that people will generally feel made a difference on the No. 1 issue confronting the American people.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each, and the time equally divided between the two leaders or their designees, with the majority controlling the first half of the time.

ENERGY

Mr. BINGAMAN. Mr. President, I wished to address this issue which both the majority leader, Senator REID, and the Republican leader, Senator McCONNELL, have talked about; that is, high gas prices.

This is a very real problem for Americans throughout the country. High gas prices today, the high price of home heating fuels as we approach the fall and winter, particularly natural gas prices which are expected to be much higher this winter; propane prices; and home heating oil prices.

Unfortunately, as I am sure we are all aware, there has been a lot of politics mixed in with the debate about what we ought to be doing to try to deal with and help solve this problem. I hope we can put that behind us and get onto a substantive discussion of the concrete steps that would make sense.

Most agree there are three areas we might constructively address in the very near term in the Congress. I hope we are able to address all three. The first is the one Senator REID was talking about earlier, and that is, the proper functioning of energy markets or the so-called problem of speculation in our markets.

The second, of course, is how do we reduce our demand for oil. Everyone recognizes that part of the high price of gas is the increasing demand for oil, and the United States is a significant participant in increasing demand.

The third item is the increasing of supply which needs to be part of the solution as well, in my view.

On the issue of proper functioning of the markets, Senator REID pointed out that as majority leader he has now put forward a piece of legislation which we hope can gain bipartisan support and we hope can be addressed in the Senate in the very near future. It takes some of the ideas that have come from the Republican side of the aisle, and some of the ideas that have come from the Democratic side of the aisle, and tries to meld these two into a piece of legislation that will do some real good in taking speculation out of the market.

Now, there is a lot of dispute as to what extent there is speculation affecting the price of oil. But most experts say the increased speculation in commodity markets is one factor.

On the issue of demand reduction, there are a lot of ideas also around the Congress as to things we might do. The President has not spoken about demand reduction, at least I have not heard him say anything about that. He has not spoken about the issue of speculation in the markets either or urged action there.

But I think the Congress ought to try to address both to speculation issue and demand reduction. Third, we ought to try to do something on the issue of increasing supply. Now, the President has made this his sole issue that requires attention, as I understand his recent statements.

He specifically has said the current ban on drilling in the Outer Continental Shelf is what needs to be changed, that is the one thing standing between the American people and a lower price for gas at the pump. Now, 2 days ago, he took action to revoke the Presidential withdrawal of this Outer Continental Shelf land and challenged Congress to act similarly in the immediate future before the August recess.

Let me try to put some facts out for people to understand on this general issue. Before doing so, I ask unanimous consent that my total time allowed be 20 minutes as part of morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BINGAMAN. This first map tries to make the point as to what we are talking about. We are all talking about the OCS, the Outer Continental Shelf. There are four areas that constitute the OCS. It is an area 200 miles going out from the U.S. coast all around the country, on the east coast, the west coast, the Gulf of Mexico, and all around Alaska. Those are the four areas that contain Outer Continental Shelf lands. These are submerged lands owned by the Federal Government. They have always been owned by the Federal Government. There is no dispute about that. States have rights going 3 miles out into the Outer Continental Shelf but after that, the Federal Government controls those lands. That is the OCS.

So if we should be drilling more in the Outer Continental Shelf, where does that resource lie? The Minerals Management Service, which is part of our Department of the Interior in this administration, says their best calculation at this point is that 44.9 billion barrels of oil are in the Gulf of Mexico; that is 52 percent. Another 31 percent is not in the Gulf of Mexico, it is around the area of Alaska. On the east coast, there is 4 percent of what we believe exists in the way of oil in the OCS; and on the west coast, 12 percent. That is their best estimate at the current time. On natural gas, it is even a larger amount in the Gulf; there is about the same amount in Alaska as there is oil percentage-wise, 31 percent; and you can see natural gas is 4 percent on the Pacific coast and 9 percent off the Atlantic coast. That is where the resource is. To put it simply, according to this MMS 2006 survey, 83 percent of the oil and 86 percent of the natural gas on the Outer Continental Shelf is located in one of two places, either the Gulf of Mexico or the area around Alaska.

The Atlantic coast is estimated to contain only 4 percent of the oil and 9 percent of the natural gas, and the Pacific coast is estimated to contain 12 percent of the oil and 4 percent of the natural gas. That is the basic information.

What is the proposal that Senator MCCONNELL and President Bush have put forward to try to deal with this problem? First, let's talk about what they have not proposed. They have not proposed any change in the Gulf of Mexico. They have said, leave the law as it is in the Gulf of Mexico. There is no proposed lifting of any ban there. Second, they have not proposed anything with regard to the area of second most promise, and that is around Alaska, because there is no moratorium to be lifted up there. Third, they have said as to the two areas that have the least resource as far as we know, the east and west coasts, that we should give the Governors and the State legislatures of the coastal States the authority to decide whether there is to be any drilling off their individual coasts. Not only should we give them that authority, we should bribe them, in a sense, to make the right decision by promising to give them a chunk of the revenue, if, in fact, there is development permitted off their coast and if, in fact, they allow it.

This has been characterized, both by the President and the media, as giving the States a say. That is not what the legislation calls for. This legislation calls for giving the legislatures and the Governors a veto over development off their coasts. That is an unprecedented action by this Congress to say, OK, this is Federal land. This is a Federal resource. We are trying to craft a national energy policy. The way we want to go about it is to give each State legislature and each Governor the ability to veto development off their particular coast. I think that is a terrible idea. I have spoken many times about this. I hope the Congress will not agree to go along with the idea that we shift this responsibility and authority to the State level. That is a point people need to keep clearly in mind.

I believe strongly that there are several categories of land that are not subject to the drilling ban, not subject to any moratoria, where we could be producing more oil and gas. I wish to go through that list and explain it a little bit. The first area is drilling leases that are not producing oil. We know for a fact that most of the area that has been leased is not producing oil. Here is a chart that says 83 percent of the leased area in the OCS is not producing energy. There may be good and sufficient reasons why the companies that lease that land are not producing oil from it, but I believe we need to ensure that there is diligent development of existing leases. I don't know that that is the case. We wrote a letter to Secretary Kempthorne—30 Senators signed the letter—urging him to look into this and see if more can be done. I hope we can do more, and I am persuaded that we can. There are 2,200 producing leases on the Outer Continental Shelf. There are 6,300 nonproducing leases. There are many reasons for this, but clearly this is something we should look into, and I believe we can do better to produce oil from areas that have already been leased.

The second area on this chart is leases offered but not taken by oil companies. Here again, the current 5-year plan includes a sale every year in the central and western Gulf of Mexico. We had a recent sale in this lease sale 181 area that Congress legislated on in 2006, near the eastern Gulf of Mexico. The fact is, for much of the land offered for leasing—two companies at the time—MMS received no bids. We need to get to the bottom of that and figure out why, when we offer this land for lease, companies are not coming forward and actually bidding.

Let me also talk about this third area which is areas scheduled to be leased but not yet leased. The administration has done what previous administrations have done, and that is to have a 5-year schedule of leases. We have a 5-year schedule in place now. The lease sale I referred to in March was part of that 5-year schedule. I believe there are 16 additional lease sales scheduled in 2008, 2009, 2010, 2011, and 2012. All of those are on this chart on the right, scheduled lease sales. We need to look at that and ask: Is this an ambitious enough schedule of lease sales? Do we believe there is a greater appetite by the oil industry than this reflects? Do we believe that if we put up more land for leasing, we would get more production more quickly? If so, we should consider doing this. I don't see any reason why the Bush administration couldn't offer a more ambitious plan in this regard.

The final category is areas that are not in the moratorium. They are subject to no moratorium for drilling, and also they are not in the 5-year plan. So they are not scheduled to be leased in the future either. We have a chart here on Alaska. Most of the area I am talking about is the Outer Continental Shelf that surrounds Alaska. You can see it is a very large area. Of course, we claim our right to drill and to ownership of the submerged lands way out around the Aleutian Islands. All of this is part of the Outer Continental Shelf. What this chart shows is that there are 918 million acres in the Outer Continental Shelf around Alaska that are open for drilling but have not been included in the administration's 5-year plan. So of the area in the Outer Continental Shelf in Alaska that is not covered by moratoria, about 15 percent is included in the administration's 5-year plan. The other 85 percent is areas not covered. I would think the first thing to do, if you want to get more production in the OCS in the near term, is to ask: How do we get more of that 85 percent leased? If there is a demand for that, if the oil companies wish to develop that, how do we get that leased or how do we take the schedule of lease sales that take us through 2012 and accelerate some of that? I haven't seen anything from the administration indicating a desire to do that. We need to look at that as well.

All of these things I have on this list are ways to increase oil production that do not require any change with regard to who is going to control access to the Outer Continental Shelf. As I indicated, that would be a big mistake to grant that authority to State legislatures and Governors.

Let me summarize by going back and asking, what should we do, what should we as the Congress do in the coming weeks? And I hope what we are able to do. First, we should deal with speculation. Senator REID has a proposal in that regard. I hope it can get bipartisan support, and we can move ahead.

Second, we should do all we can to encourage more reduction in demand. There are a lot of good ideas around, from Republicans, from Democrats, from experts on all sides on that subject. We are having a workshop tomorrow in our Energy and Natural Resources Committee where some of these ideas will undoubtedly be discussed, as well as ideas related to supply. We are also going to have a hearing next week on the subject of demand reduction and possible changes in policy that could help. Then we should also look at supply. That is what the President is focused on. We should develop the leases we have already let that are currently in existence. We should be sure they are being diligently developed and take every step possible to ensure that.

Third, if companies have the ability and the desire to develop more leases on the Outer Continental Shelf, we should accelerate leasing in areas that are not covered by the moratoria, and there are a lot of them, as I think these charts have made clear. There are a lot of areas outside the moratoria that could be leased under current law.

Finally, if the administration knows of particular areas they believe have great promise and would like us to go ahead and open to leasing and that currently are not covered, I would be anxious to have them present the evidence and tell us what those are. We put a provision in the 2005 Energy bill, which many of us worked on, calling for a comprehensive inventory of OCS oil and natural gas resources. It called on the Secretary to do that. The Secretary did do a report, an inventory. He gave it to us in 2006. Unfortunately, what we said in the legislation was that the Secretary should use all available technology, any technology except drilling, including 3–D seismic technology, to obtain accurate resource estimates. The administration chose not to do that. They did not ask us for the funds to do that. So the report they gave us in 2006 does not have the benefit of any 3–D seismic survey. I think if the President believes, and if the Minerals Management Service within the Department of the Interior believes, there are areas that are currently covered by a drilling ban that have great promise, then they should come forward and at least ask for the resources to go ahead and complete the survey they were directed to do in section 357 of the 2005 Energy bill.

There is a lot of progress we can make on a bipartisan basis. We need to quit suggesting that the solution to high gas prices is taking what has always been a Federal decision—that is, who is going to have access to the Outer Continental Shelf and under what circumstances—and give it to the State legislatures and Governors. That would be a major mistake. I hope we do not go that route. There are things we can do on speculation. There are things we can do on demand reduction. There are things we can do on increased supply which I hope will help alleviate this very real problem Americans are faced with.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

ORDER OF PROCEDURE

Mr. DORGAN. Mr. President, how much time remains on this side?

The ACTING PRESIDENT pro tempore. Ten minutes.

Mr. DORGAN. Mr. President, I ask unanimous consent to add 5 minutes to our side and 5 minutes to the Republican side.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALEXANDER. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY SPECULATION

Mr. DORGAN. Mr. President, my colleague, Senator BINGAMAN, the chairman of the Energy Committee, was talking about a very important subject. Almost no American at this point can escape the consequences of what is happening with respect to our energy markets: the cost of gasoline, the cost of oil, its impact on drivers, its impact on truckers, airlines, and farmers. It is pretty unbelievable.

I have come to the floor today to talk about a bill that was introduced last evening, S. 3268, by the majority leader, Senator REID. I have been working with Senator REID—and many others have worked with him as well—to construct a piece of legislation dealing with excess energy speculation. I am convinced that dealing with excess speculation will put downward pressure on oil and gas prices.

Now, I introduced a piece of legislation in June called the End Oil Speculation Act of 2008. I have also been speaking on the issue of excess speculation in the energy markets for several months on the floor of the Senate. I have been very pleased to work with Senator REID and others, and I am pleased with the result of the piece of legislation Senator REID has introduced with my cosponsorship and others. It embodies most of that which was included in the legislation I had previously introduced in the Senate.

I wish to talk about why this is important. Now, I understand there are some people who scoff at this saying: Well, do you know what, there is no excess speculation. If we are going to deal with the energy issue, we have to drill, drill, drill.

We can drill. I support drilling. But the fact is, you can put a drill bit in the ground today, and you are not going to do one thing with respect to gas and oil prices. That is 2 years, 5 years, 10 years off. The question is, What do you do about what is happening today with excess speculation in these markets?

Now, excess speculation is not new. It has happened in other markets, and it sometimes breaks the market. When the market is broken, there is a responsibility, in my judgment, to take action.

So let me describe what I think we face. I also want to talk for a moment about this new piece of legislation we introduced last evening, which I fully support. I am sure waves of opponents will come to the floor and certainly come to offices around this Capitol Building and try to defeat it.

First of all, I have shown this many times: Fadel Gheit has testified before our Energy Committee. For 30 years, Mr. Gheit has been a top energy analyst with Oppenheimer & Co. Here is what he says:

> There is absolutely no shortage of oil. I'm absolutely convinced that oil prices shouldn't be a dime above $55 a barrel.

What he means is there is unbelievable excess speculation in the oil futures market. He says:

> I call it the world's largest gambling hall . . . It's open 24/7 . . . Unfortunately it's totally unregulated . . . This is like a highway with no cops and no speed limit, and everybody's going 120 miles per hour.

So you wonder, is there excess speculation going on that has driven the price of oil and gas up like a Roman candle? Well, according to a study that was done by the House Subcommittee on Oversight, in the year 2000, 37 percent of the people in this market were speculators. Now it is 71 percent of the people in these energy markets who are speculators.

Well, how does that happen? We have a regulator: the Commodity Futures Trading Commission. They are supposed to wear the striped shirts like referees at a basketball or football game. They wear the striped shirts and have a whistle, except these folks forgot to put on their shirt and don't know how to blow a whistle. They are not interested in being a referee. They say: Whatever happens, happens.

Mr. Lukken, the Acting Chairman of the CFTC, says: Everything is fine: ''Based on our surveillance efforts to date, we believe that energy futures markets have been largely reflecting the underlying fundamentals of these markets,'' which means there is no excess speculation here. That is from the top regulator.

From the Secretary of Energy, Sam Bodman, last month: There's no evidence we can find that speculators are driving futures prices [for oil].

Oh, really? Let me show you this chart. This is a chart by the Energy Information Administration. We fund that agency with $100 million a year. These are the folks who make projections. Take a look at every one of these projections for the last year, as shown on this chart: In May of 2007, here is what they said the price of oil would be. In July of 2007, here is what they said the price of oil would be. In November of 2007, here is where the price of oil would go. Yet here is where the price actually went: straight up.

Why were they so wrong? Because this is not about supply and demand. It is about an orgy of speculation—unbelievable excess speculation—that has driven this market like this.

Now, we can ignore all this. You can pretend it does not exist. But every bubble bursts. We know that. The question is, when? In the meantime, how much damage will be done to this country's economy? How much damage to the airline industry, the trucking industry, to farmers, to families trying to figure out: How do I borrow enough money to fill the gas tank in order to drive to work?